

HEALTH

People who have health insurance are healthier than those who don't. Uninsured people are less likely to have a regular doctor, are more likely to delay seeking care, and less likely to receive needed care. But health insurance is not always readily available to those who need it. During this seminar, you will work through case studies of patients whose lives are affected by their health and insurance status. You will debate the pros and cons of the current model of employer provided health insurance and discuss how alternative models may or may not work better.

Questions to Consider

- What is health insurance?
- Who needs health insurance?
- What are the different kinds of health insurance? Why does one kind cost more than another?
- Usually, who pays for most of the health insurance costs?
- What happens when the cost of insurance gets too expensive?
- What should the government's role be in providing public insurance, like Medicare and Medicaid, to people who have no health insurance coverage?

What Difference Does Health Insurance Make?

Health insurance affects access to health care as well as the financial well-being of families. Nearly 40% of the uninsured have no regular source of health care, and, coupled with a fear of high medical bills, many delay or forego needed care.

- Nearly 40% of uninsured adults skipped a recommended medical test or treatment, and 20% say they have needed but not gotten care for a serious problem in the past year.
- Uninsured children are at least 70% more likely than insured children not to have received medical care for common conditions like ear infections - illnesses that if left untreated can lead to more serious health problems.
- Both uninsured adults and children are less likely to receive preventive care. Uninsured adults are over 30% less likely to have had a check-up in the past year.

Delaying or not receiving treatment can lead to more serious illness and avoidable health problems, which does make a difference in how healthy people are.

- The uninsured are more likely than those with insurance to be hospitalized for conditions that could have been avoided, such as pneumonia and uncontrolled diabetes.
- The uninsured with various forms of cancer are more likely to be diagnosed with late stage cancer. Death rates for uninsured women with breast cancer are significantly higher compared to women with insurance.

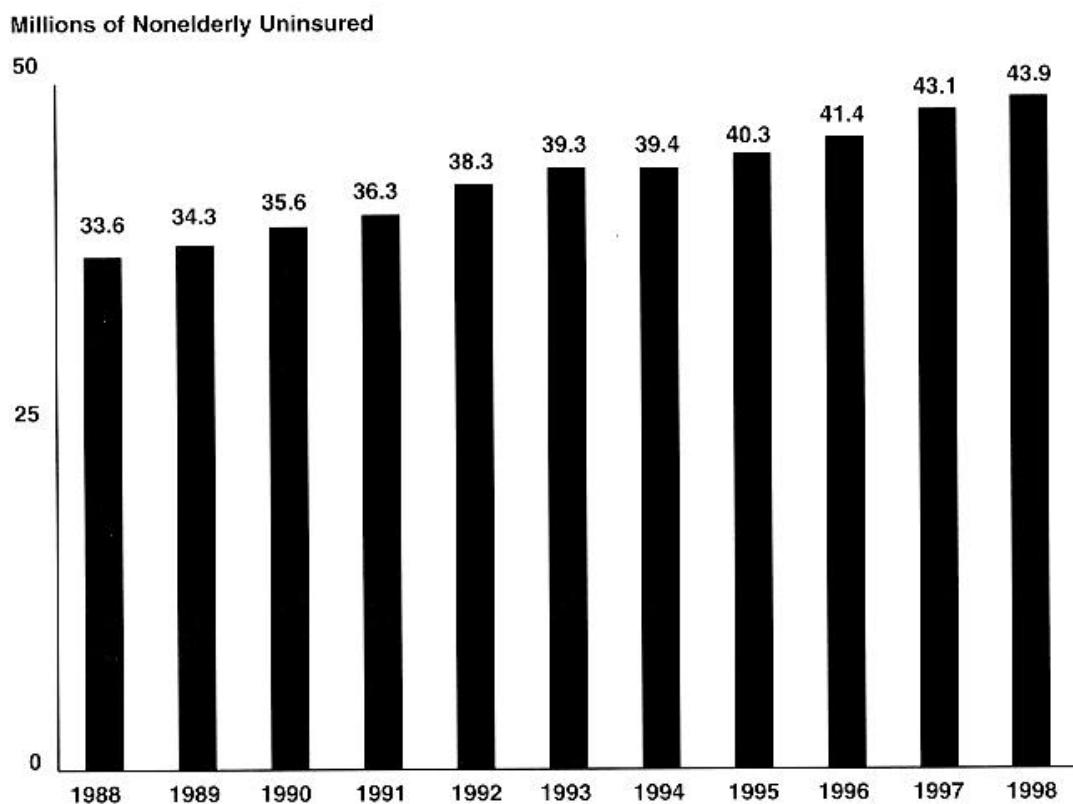
Health insurance clearly matters for the millions of Americans who lack coverage. Decisions made by the uninsured to delay or forego needed care because of its cost ultimately can lead to poorer health outcomes.

The Uninsured and Their Access to Health Care

Today, 44 million Americans are without health insurance coverage. Having health insurance makes a substantial difference in the amount and kind of health care people are able to obtain and ultimately can make a difference in how healthy people are.

The uninsured are mostly under the age of 65 because almost all elderly Americans have Medicare coverage. Most Americans receive health insurance coverage through their employers, but millions lack coverage because their employer does not offer it or they cannot afford to pay for it. Medicaid covers many low-income people, but many more do not meet the income and eligibility criteria and are left uninsured. Between 1988 and 1998, the number of uninsured grew by an average of one million per year.

Growth in the Number of Uninsured Americans 1988-1998



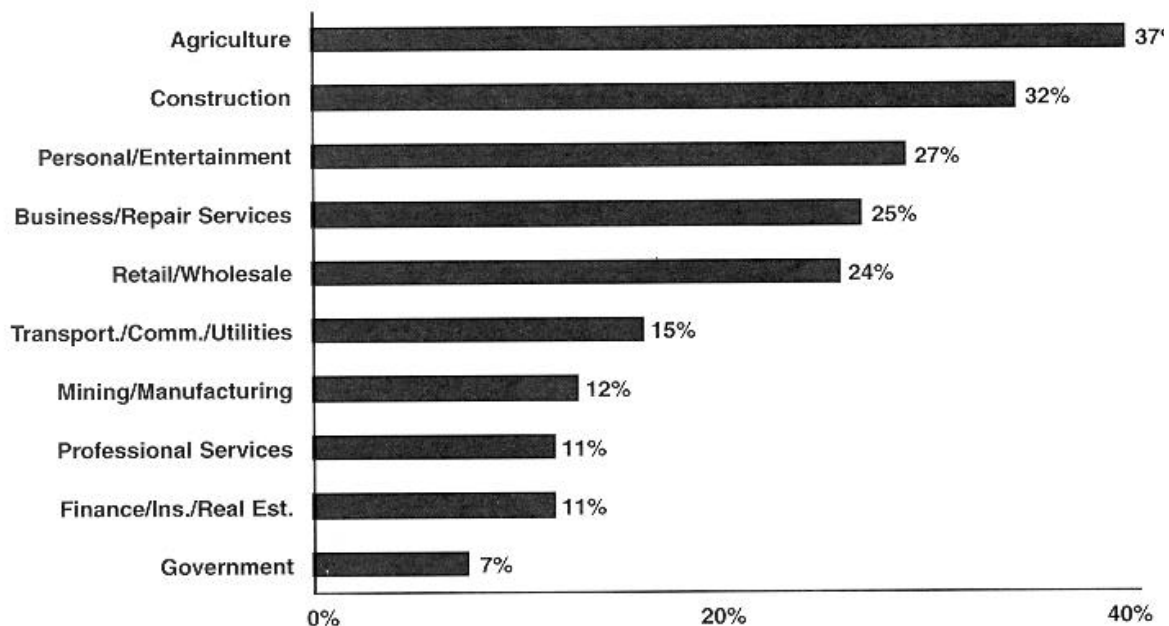
SOURCE: Employee Benefits Research Institute, 2000
DATA: Current Population Surveys (March) 1989-1999

Who are the Uninsured?

The uninsured are predominantly workers and their families, many of whom have low incomes. Low-income Americans (those who earn less than 200% of the federal poverty level, or \$27,300 for a family of three in 1998) run the highest risk of being uninsured. Over half of the uninsured population is low-income, and nearly one in five of the uninsured are low-income children. Almost all of these children are eligible for coverage through either Medicaid or the State Children's Health Insurance Program (SCHIP) but are not enrolled. Their parents make up another 19% of the uninsured population.

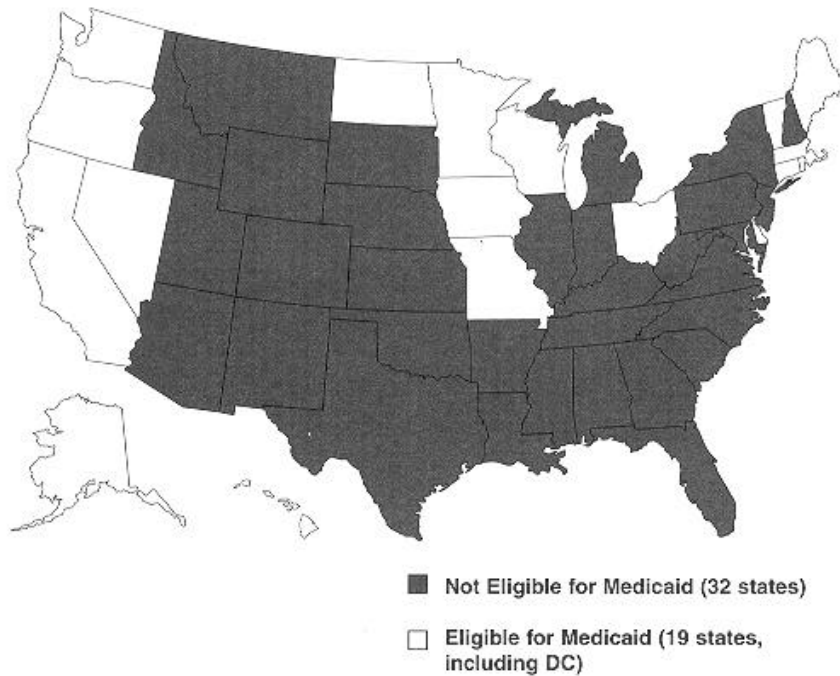
Almost three-quarters of the uninsured are in families where at least one person is working full time, and 10% are in families with at least one part-time worker. Only 16% of the uninsured are in families with no workforce attachment. Workers in small firms are more likely to be uninsured than those in larger firms.

The Risk of Being Uninsured for Workers by Industry, 1998



SOURCE: Urban Institute, 1999; unpublished
DATA: Current Population Survey, March 1999
See Table 13

States Where Parents Working Full-Time for Minimum Wage Are Not Eligible for Medicaid



Note: Based on a family of 3 with one wage earner, working full-time for the federal minimum wage (\$5.15/hour, or about \$10,700/year).
SOURCE: Center on Budget and Policy Priorities, 1999.

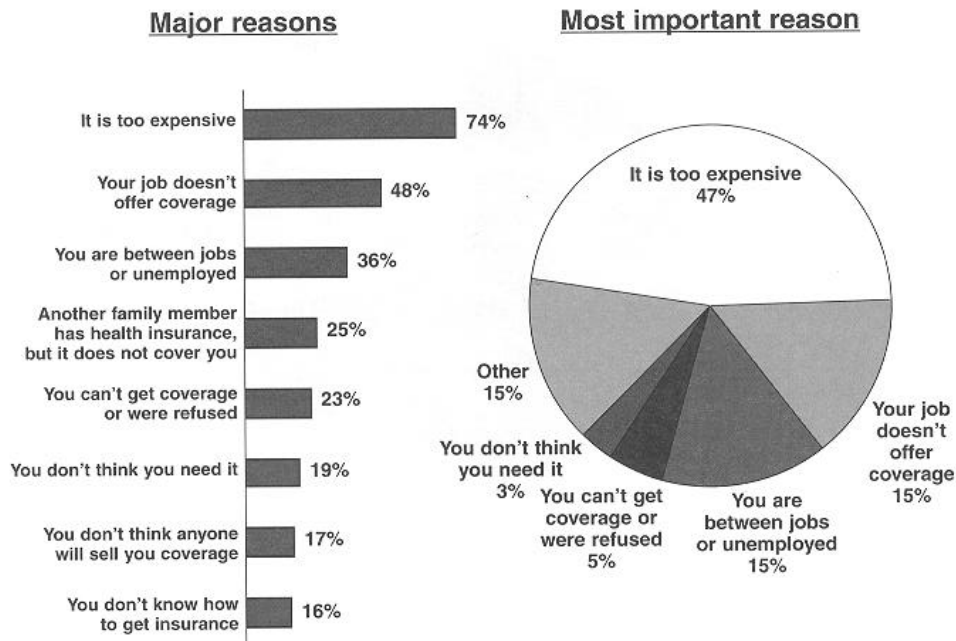
Why Are So Many Americans Uninsured?

The high cost of coverage is the most commonly cited reason for lack of health insurance. Insurance premiums, along with the employee contribution, have increased substantially over the past decade, with the average employee share of premiums at 27% in 1998.

Higher premiums have particularly affected low-wage workers. The employee cost for family coverage is higher in businesses that employ mainly low-wage workers. Access to employer-sponsored health coverage has also been declining among low-income workers, as employment continues to shift into sectors that are less likely to offer coverage.

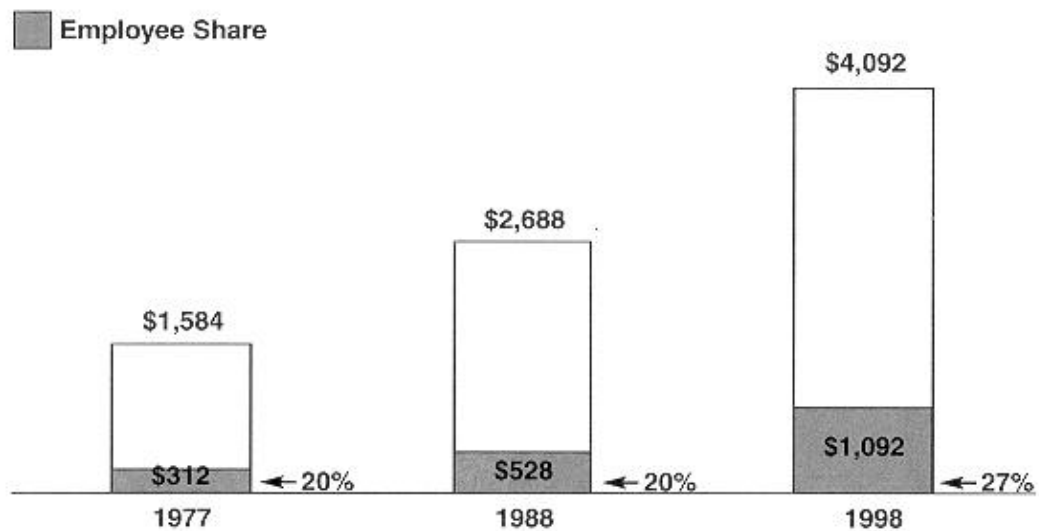
Gaps in the Medicaid program leave many low-income Americans, especially adults, without coverage. Non-elderly low-income adults must meet stringent income eligibility standards and generally are not eligible if they are single adults or childless couples, no matter how poor. Parents may qualify for Medicaid, though income eligibility is set much lower than for children.

Reasons Reported by Uninsured Adults for Not Having Health Insurance, 2000



SOURCE: *The NewsHour with Jim Lehrer*/Kaiser Family Foundation National Survey on the Uninsured 2000.

Average Annual Premium Cost Per Worker, 1977, 1988 and 1998 (in 1998 Dollars)



SOURCE: Gabel J, 1999